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NORTH RANKIN NICKEL MINES LIMITED

Annual Report

Year Ended December 31, 1965

NORTH RANKIN NICKEL MINES LIMITED

OFFICERS	G. D. PATTISON <i>President</i> S. A. PERRY <i>Vice-President</i> R. D. BELL <i>Secretary-Treasurer</i> W. E. ESSERY <i>Assistant Secretary-Treasurer</i>
DIRECTORS	R. D. BELL Toronto, Ontario MURRAY COOPER Toronto, Ontario G. D. PATTISON Toronto, Ontario S. A. PERRY Toronto, Ontario W. W. WEBER Toronto, Ontario
BANKERS	THE ROYAL BANK OF CANADA . . . Toronto, Ontario
AUDITORS	THORNE, MULHOLLAND, HOWSON & McPHERSON Toronto, Ontario
TRANSFER AGENT AND REGISTRAR	NATIONAL TRUST COMPANY, LIMITED Toronto, Ontario
HEAD OFFICE	SUITE 509, 25 ADELAIDE STREET WEST . . . Toronto, Ontario

NORTH RANKIN NICKEL MINES LIMITED

Suite 509, 25 Adelaide Street West

TORONTO 1, ONTARIO

Directors' Report

To the Shareholders of
NORTH RANKIN NICKEL MINES LIMITED.

Presented herewith is the financial statement of your Company for the year ended December 31, 1965, with Auditors' Report thereon dated April 18, 1966.

Earlier this year a vertical loop electromagnetic survey was completed over a large portion of the sixty-four claim group in which your Company owns an 80% interest, located in the northeast corner of Moberly Township, Porcupine Mining Division, Ontario. Fifteen anomalies were outlined on the property and your Company's technical consultants were of the opinion that seven of these warranted investigation by diamond drilling. On their recommendation the Company recently commenced a program of diamond drilling to test the anomalous areas. The first drill hole in the program has been completed and negligible amounts of chalcopyrite mineralization were encountered. The second hole is now being drilled.

Your Company continues to hold its 10% interest in Basin Explorations (Ireland) Syndicate which holds twenty-two prospecting license areas in the Republic of Ireland. To date geochemical surveys have been completed over sixteen of these licenses. Results have indicated anomalous conditions over five areas which will require further examination by detailed geochemical and geophysical surveys followed by diamond drilling where warranted. Before this detailed work is commenced, however, the remaining six license areas will be tested.

As was reported last year, exploration programs consisting of line cutting, geophysical surveys and diamond drilling were carried out on two contiguous optioned properties located in Macdiarmid Township, Porcupine Mining Division, Ontario. Due to the negative results obtained from this work the Company allowed these options to terminate.

You will note from the accompanying financial statement that the Company remains in a strong financial position. The Company's investments consist of shares of Panacolor, Inc. and Consolidated Mogul Mines Limited.

Submitted on behalf of the Board of Directors,

G. D. PATTISON,
President.

Toronto, Ontario,
May 6, 1966.

NORTH RANKIN NICKEL

Incorporated under the laws of the Province of Ontario

Balance Sheet

DECEMBER 31, 1965

Assets

CURRENT ASSETS:

Cash	19,071.30	
Short-term deposits	553,106.84	
Accounts receivable	1,100.00	
Accrued interest receivable	2,913.76	
Prepaid expense	1,200.00	577,391.90

INVESTMENTS, AT COST (market value \$1,793,000.00) 871,115.50

FIXED ASSETS, Rankin Inlet, Northwest Territories:

14 claims held under lease and preproduction expense thereon, at nominal value	1.00	
Buildings, machinery, equipment and supplies, at estimated realizable value	42,000.00	42,001.00

OTHER ASSETS:

Mining claims and rights (note 2)	5,960.00	
Deferred exploration and development expenditures thereon	17,725.00	23,685.00
		<u>\$ 1,514,193.40</u>

The accompanying notes are a part of this financial statement.
Approved on behalf of the Board of Directors

"G. D. PATTISON," *Director.*

Auditors

To the Shareholders of

NORTH RANKIN NICKEL MINES LIMITED:

We have examined the balance sheet of North Rankin Nickel Mines Limited, and the statement of income, deficit and deferred exploration and development for the year ended December 31, 1965, and the accounting procedures and such tests of accounting records as we considered necessary in the circumstances.

In our opinion the accompanying balance sheet and statement of income, deficit and deferred exploration and development present fairly the financial position of the company as at December 31, 1965, and the results of its operations for the year ended on that date, in accordance with generally accepted accounting principles, except for the change in accounting practice explained in note 1.

Toronto, Canada,
April 18, 1966.

CKEL MINES LIMITED

the laws of Ontario

Balance Sheet

December 31, 1965

Liabilities

CURRENT LIABILITIES:

Accounts payable and accrued liabilities	2,178.72
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Shareholders' Equity

CAPITAL STOCK:

Authorized, 6,000,000 shares, par value \$1.00 each

Issued, 5,469,534 shares	5,469,534.00
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Less Discount thereon	1,743,455.30
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3,726,078.70

DEFICIT	2,214,064.02	1,512,014.68
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\$ 1,514,193.40

an integral part of this statement.
half of the Board.

"R. D. BELL," *Director.*

Report

kel Mines Limited as at December 31, 1965 and the statements of
year ended on that date. Our examination included a general review
s and other supporting evidence as we considered necessary in the

related statements of income, deficit and deferred exploration and
s at December 31, 1965 and the results of its operations for the year
ting principles applied on a basis consistent with that of the preceding
t, which change we approve.

THORNE, MULHOLLAND, HOWSON & McPHERSON
Chartered Accountants

NORTH RANKIN NICKEL MINES LIMITED

NOTES TO FINANCIAL STATEMENT

YEAR ENDED DECEMBER 31, 1965

1. CHANGE IN ACCOUNTING PRACTICE:

In prior years, exploration and development expenditures have been deducted in determining income or loss for the year. These expenditures for the current year are reflected as deferred charges.

2. MINING CLAIMS AND RIGHTS:

The company holds or has an interest in the following mining claims and rights:

64 mining claims, Moberly Township, Porcupine Mining Division, Ontario,
acquired by staking 5,960.00

A 10% interest in 21 Prospecting Licenses covering approximately 223 sq. miles
in the Counties of Carlow, Kilkenny, Limerick, Tipperary and Waterford,
Ireland, held by Basin Explorations (Ireland) Syndicate, acquired for a cash
payment of \$6,000.00 (see statement of deferred exploration and development) Nil

\$5,960.00

STATEMENT OF DEFICIT

YEAR ENDED DECEMBER 31, 1965

Deficit at beginning of year		2,210,767.32
Add:		
Loss for year	2,449.30	
Exploration and development expenditures on options abandoned	33,175.75	35,625.05
		<u>2,246,392.37</u>
Deduct Profit on sale of investments		32,328.35
DEFICIT AT END OF YEAR		<u>\$ 2,214,064.02</u>

STATEMENT OF INCOME

YEAR ENDED DECEMBER 31, 1965

INCOME:

Interest earned	21,713.94	
Dividends received	4,169.21	25,883.15

EXPENSES:

Annual report	1,345.90	
Consultant's fee	300.00	
Directors' fees	3,200.00	
Government fees	565.89	
Head office fee	7,200.00	
Legal and audit	1,200.00	
Management fee	10,000.00	
Mine shutdown	1,298.24	
Stock transfer and listing expenses	2,991.41	
General expenses	231.01	28,332.45

LOSS FOR YEAR		<u>\$ 2,449.30</u>
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NORTH RANKIN NICKEL MINES LIMITED

STATEMENT OF DEFERRED EXPLORATION AND DEVELOPMENT YEAR ENDED DECEMBER 31, 1965

Expenditures during year:

Consultants' fees and expenses	4,144.60	
Drilling	25,332.92	
Linecutting	5,033.00	
Surveys	8,568.00	
Syndicate participation	6,000.00	
Transportation	1,135.28	
General field expenses	686.95	50,900.75

<i>Deduct</i> Exploration and development expenditures on options abandoned, transferred to deficit		33,175.75
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DEFERRED EXPLORATION AND DEVELOPMENT ON MINING CLAIMS IN GOOD STANDING (summarized as follows)		<u>\$ 17,725.00</u>
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<u>Location</u>	<u>Expenditures during year</u>	<u>Transferred to deficit</u>	<u>Balance at end of year</u>
Macdiarmid Township, Ontario	32,899.19	32,899.19	—
Moberly Township, Ontario	11,725.00		11,725.00
Syndicate participation, Ireland	6,000.00		6,000.00
General	276.56	276.56	—
	<u>\$ 50,900.75</u>	<u>\$ 33,175.75</u>	<u>\$ 17,725.00</u>

